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Progress of Co-operative Farming in Saskatchewan

Many of us who have been raised on farms recall some loose organization which our fathers had with a neighbour or neighbours for the use of farm machinery. The investment of each farmer, however, seldom corresponded with the amount of use he made of the threshing machine or other equipment involved. The general rule was that if the machine broke while you were using it, you paid for the repairs, or else haywired it together, hoping that the other fellow would not notice the break until he got it home. Many of these informal arrangements failed. The difficulties were numerous, as records were usually inadequate, and no definite policy was discussed or adopted as to whose crop would be threshed first, or as to the rotation of any other work done. These and many other problems with no ready solution arose, with the result that few of these loose co-operatives operated for many years. Many people now believe that the answer to these problems can be found through the formation of Agricultural Production Co-operatives in which members can conduct part or all of their farming operations on a co-operative basis. Considerable success has been achieved by somewhat similar types of organization in Palestine, Russia, Mexico and Wales.

By November, 1946, there were thirty-two Production Co-operatives in Saskatchewan. These included co-operatives in which all farming operations were pooled, as well as those which were supplemental to the complete farming operations of the members. They were as follows: five in which labour, land and capital resources are pooled; four for the use of machinery; sixteen grazing; two livestock breeding; three sheep production; one fur production; and one honey production co-operative association.

For the purpose of this bulletin, only the groups which have organized for the purpose of using machinery, or pooling labour, land and other capital resources, will be regarded as co-operative farms. The others are relatively easy types of organization to undertake and no intensive description is necessary.

Co-operatives for the Use of Machinery

Co-operatives for the use of farm machinery have developed in recent years and given good service to their members. These were organized by groups of farmers in response to definite needs, resulting from shortage of equipment, and from wartime scarcity of labour. Two of these are specialized machinery co-operatives organized to overcome the high cost of clearing and breaking bush land in northern Saskatchewan. The results have been very satisfactory. The members have realized a reduction in the capital cost of machinery per cultivated acre, a considerable saving in labour, and more efficient cultivation through the use of a greater variety of equipment and more modern types than the small, individual farmer can afford to buy.

The Round Hill Co-operative

The Round Hill Agricultural Production Co-operative Association, near North Battleford, was incorporated in November, 1943, with eight members who pooled capital, to purchase equipment, to operate on the land owned by the members. The original purpose of this group was to provide equipment with which to assist the members to get the work on their land completed in time. In the first year this co-operative purchased a tractor, tiller combine, disc, cultivator, threshing machine and grain chopper with elevator. Now their supply of machinery has increased until it consists of nearly enough to handle all the work on the land owned by the members. Recent purchases include a tandem disc harrow, disc packer, 28-run seed drill, plow and power binder.

During the last three years, the membership has increased to ten with a total cultivated acreage of approximately 1,400 acres. Consequently, where formerly small, inefficient outfits of equipment had been operating this area, now one large unit of machinery is doing practically all the work on it—this with an average investment per member of less than \$500.

Working as individuals, they had either hired a man during most of the year, or neglected their livestock and other farm activities during the busy seasons. They have now hired a man to operate and maintain the co-operatively-owned equipment, so the members are able to turn their complete attention to the livestock, haying and such other work on their farms.

The members pay for the use of the equipment on a regular custom basis which includes charges for operating expenses, interest,

depreciation on the equipment, and wages for the operator. From this amount the expenses for the year are paid, and certain reserves set aside. Any surplus is divided among the members in proportion to the value of work done for each by the equipment owned by the association.

The Mount Hope Co-operative

The Mount Hope Agricultural Production Co-operative Association was incorporated in March, 1945, with 14 members and with objects similar to those of the Round Hill Co-operative. The members operate a total of approximately 3,500 cultivated acres and the co-operative is gradually obtaining the necessary equipment to do all the work on this land. A man is hired to take charge of the operation and maintenance of the machinery, the members furnishing any other labour that is required. A charge per hour is made for the use of the machinery, and dividends are paid on the basis of value of services received by each member through the use of equipment owned by the co-operative.

The members of both the Round Hill and Mount Hope Co-operatives have worked out a rotation for the use of equipment by the members. They start at a different position in the rotation each year. Problems which interrupt this rotation, such as late ripening of a particular crop, are left for decision to the manager, who is chosen by the members from the group. His chief duty is to keep the machinery operating as long as there is work to be done. The main point is, however, that the method of allocating the use of machinery is decided upon by the members themselves at meetings, with the object of making it equitable to all.

The two co-operatives just described were organized to purchase farm machinery to cultivate the land operated by the members. Thus through increasing the size of their farming unit, they find that they can afford to purchase larger equipment which will do more efficient work, and that they can use such equipment enough hours each year to make it pay for itself before it becomes obsolete.

Although the manager of the smaller Round Hill group does not find it a very great task to supervise allocation of the use of machinery, the Mount Hope group, with its present membership of 15 and its 3,500 acres, finds that the manager must spend most of his time at this work during busy seasons. This will involve paying the manager and a resulting increase in the cost of operations to the

co-operative. This indicates that there may be an optimum acreage for these co-operatives, which may be smaller than that operated at Mount Hope.

The Algrove Farm Co-operative

In March, 1946, the Algrove Farm Co-operative Association was incorporated with sixteen members. Its immediate program is the purchase and use of heavy equipment and the provision of feed and pasture for livestock in the community.

The Algrove district is a bush area settled during the 30's with a family settling on almost every quarter section. Using the axe and horse-power method of clearing and breaking, progress was very slow. Consequently, by 1945 each family had an average of only about 30 acres under cultivation. Also since bush does not provide much pasture, nor 30 acres grow much feed, it was impossible for these people to develop livestock enterprises that would give them the security of an adequate revenue each year.

However, as far back as 1935, a study group was organized in the area which discussed the problems of the district, and possible solutions. Co-operative farming was one of the solutions on which it concentrated, and the Algrove Farm Co-operative Association is a result.

The members of this co-operative pooled some money and purchased two second hand tractors and a breaking plow. One tractor was a caterpillar with bulldozing and brush cutting attachments, and the other a W-40. These two tractors operated from July first, when they were purchased, until the end of the season. These, along with privately-owned breaking plows, hired by the co-operative, have brought 540 acres under cultivation in the Algrove district, nearly all of which would still have been under bush if the co-operative had not been formed.

To supplement the feed and pasture in the area, the Algrove Farm Co-operative leased three sections of school land from the Provincial Government. Two hundred and fifty acres of this has been cleared and broken to raise feed for the use of the members' livestock next year. Much of this will later be seeded down for pasture.

Patronage by the members of this group is contributed in the form of labour, use made of the machinery, and purchase of produce raised on land leased by the association. Dividends will be paid in proportion to the amount of patronage contributed by each member.

The members of this group have decided that all dividends and a percentage of the wages earned by them will be retained, for a time, in order to build up their co-operative.

For the future, the members plan, after they have had a few years of experience in these initial degrees of co-operative farming, to pool their labour, land, livestock and equipment to operate on a co-operative basis, and to move to Algrove to establish a co-operative community there.

The Orley Production Co-operative

At Orley, a group of farmers, in 1945, organized a co-operative on a similar basis to that at Algrove. Here, too, the great need is to bring the bush farms under cultivation so that feed can be raised to build up livestock herds in the district. Lack of capital, as a result of frozen crops, has prevented this co-operative from purchasing the machinery necessary to commence operations.

The experiences of these groups have shown that distinct economic advantages can be obtained through the co-operative use of farm machinery. The principal ones are a reduction in the cost of machinery per cultivated acre and the provision of a greater variety of equipment for farming operations. These advantages should be of particular interest to farmers operating small acreages where expensive machinery is used only a small number of hours each year. The co-operative use of farm machinery offers the small farmer an opportunity to reduce his overhead and cost of production to a level which compares favourably with that of large scale farm operators.

Co-operatives for the use of farm machinery should also be of interest to farmers who no longer feel able to do their field work but who still wish to continue farming. They may also offer possibilities to young men wishing to start farming who have insufficient capital to purchase adequate equipment.

Enterprises Supplemental to Complete Farming Operations

The McIntosh Co-operative

At Hepburn, Saskatchewan, in April, 1945, the McIntosh Co-operative Association was incorporated with the object of pooling capital to buy land on which to build, equip and stock a dairy barn and poultry house, to be operated on a co-operative basis. This

co-operative bought approximately 200 acres of land on the edge of the village of Hepburn, built a dairy barn and poultry house, and later added a small beekeeping enterprise. By the fall of 1946, the group had 23 milch cows, and 8 head of young stock, as well as approximately 900 laying hens which had been culled for production purposes.

The labour for these enterprises is being supplied by three of the members of this association, two of whom are working full-time in connection with it. They have moved their houses to the edge of the village of Hepburn or built new ones there. They now are able to take advantage of what community and social services the village has to offer, such as school, church and recreational facilities, as well as the electric power. Where formerly one of the men had to take his small daughter two miles to school in the morning and bring her home at night, she now lives less than two hundred yards from school.

Turner Co-operative Farm

In the spring of 1946, the Turner Co-operative Farm was organized at Osler, Saskatchewan, to purchase the Osler Airport on which to develop a co-operative dairy farm. The group is also planning in the near future the pooling of all capital resources owned by the members, and the establishment of a co-operative community at the Airport. The membership of six consists of several farmers and their sons. This co-operative is providing a means of establishing these young men on the land without their requiring a large capital outlay. They can then build up their equity in the farm through investing part of their wages and their dividends in it.

The Osler Airport, located about a mile east of Osler, consists of three buildings—a small dormitory building, a garage which measures approximately 30 by 90 feet and a transmitter building about 14 by 22 feet. These buildings are located on 524 acres of land which are seeded to crested wheat grass. Thus pasture and hay are readily available for the dairy enterprise.

The livestock on the Turner Co-operative Farm are being looked after by the member living on the premises. His work was reduced considerably through the purchase of a milking machine. The services of the other members are available when required and were used extensively in building and haying.

Next year's program includes the expansion of the dairy project and the addition of a hog enterprise.

The airport land and buildings were obtained by July, 1946, and work commenced at once. One of the members moved his family into the buildings and by November a well, capable of supplying water for a large herd, had been drilled; approximately 150 loads of hay had been stacked; the garage had been transformed into a cow stable; and a herd of twenty-four milch cows had been built up through members pooling portions of their individual herds. Milk is being shipped to the Dairy Pool in Saskatoon.

The co-operative farms at Hepburn and Osler are examples of specialized enterprises being developed to provide labour for the members, products needed by the country, and increased revenue to those concerned through more efficient production.

More Complete Co-operative Farms

The Sturgis Farm.

In April, 1945, at Sturgis, Saskatchewan, a more complete form of co-operative farm was incorporated. Five farmers pooled their labour, land and machinery to operate on a co-operative basis. The wives were accepted as members of this group, as well as the sister of one of the members, so the Sturgis Farm Co-operative has eleven members.

The members assessed the value of their land and machinery and turned over the titles to the co-operative. They received in return, credit for its value, as loan capital in the association. After pooling their machinery they sold \$4,000 worth, which was over 25% of its total appraised value. This indicates the degree to which their total cultivated acreage, which was about 1,700 acres, had been over capitalized in machinery.

In the spring of 1946, the group purchased 80 acres of land on the edge of the village of Sturgis, and are proceeding to build houses on it in a community group. The main reasons for the grouping of buildings are to enable members to specialize in various types of work on the farm, to organize their labour more efficiently, and to obtain modern conveniences at lower cost. The advantages of centralizing at Sturgis will result from being close to the services of the village, such as the church, school, community hall and other recreational facilities, and electricity, as well as from living near a gravelled highway and the railroad.

On the Sturgis Co-operative Farm, the houses will be owned by the co-operative. The individuals will however, have the planning

of the houses in which they will live. A rental will be paid by the members in proportion to the value of the houses which they build.

Returns to the members of a co-operative farm such as the one at Sturgis are from three sources:

1. Interest on their loan capital, which in a co-operative association in Saskatchewan cannot exceed 5%. The Sturgis group pays a regular rate within this limit, providing that the interest will not exceed 50% of the earnings for the year, after operating expenses are paid and depreciation and statutory reserves set aside. Thus there would be no interest paid in a year in which there were no surplus earnings.
2. A regular monthly wage to cover living expenses for those members contributing work to the co-operative, and, in the Sturgis Farm Co-operative, provision for a minimum wage of \$20 per month.
3. Dividends (the surplus after all expenses are paid and reserves set aside) which are divided in proportion to the amount of labour each member contributes to the association during the year.

Recent developments on the Sturgis Co-operative Farm have been the pooling of livestock by the members and the disposal of a piece of land twenty-five miles away which had been owned by one of the members and which had been worked successfully by the co-operative for two years.

The Laurel Farm.

The Laurel Farm Co-operative Association at Meskanaw, Saskatchewan, is composed of a family group who have been co-operating for years with their labour and machinery, but who have been searching for a system by which this loose co-operation could be put on a more satisfactory business basis. This co-operative was incorporated in January, 1946. The members have pooled their labour, land, equipment and livestock, to operate on a co-operative basis for the mutual benefit of all.

This group has also introduced a new method of establishing young men on the farm. Three sons have been received as full members, with the payment of a \$100 membership fee each. They had reached the age when they felt it was time to become established on farms of their own and faced the usual alternatives of young men wishing to farm, of either continuing to work as hired men until they had saved enough money to purchase or rent and equip a farm, or

buying land on credit, thus taking upon their shoulders a heavy debt. These young men have chosen the further alternative of becoming part owners of a co-operative farm by paying a \$100 membership fee, and will invest their labour dividends in the association as loan capital until they build up their equity to approximately that of the other members. At the same time, they have a voice and a vote in all the affairs of the farm.

The Laurel Co-operative Farm owns approximately 2,000 acres of land, through the pooling of land formerly owned by the members. It also rents 800 acres. Of the 2,800 acres operated by the co-operative, approximately 1,800 acres are under cultivation. The remainder is covered with bush except for about 250 acres on which the bush has been cut and which the members plan to break during the summer of 1947.

During the summer of 1946, this group moved their buildings to a central location on their land. They planted a community garden, equipped a machine shop and have already done a considerable amount of work in the landscaping of their co-operative community. The community plans also include the planting of an orchard and the development of a small recreation grounds.

As on the Sturgis Farm Co-operative, the houses on the Laurel Farm Co-operative will be owned by the Association. The Supplemental Bylaws provide that: "The Association shall own all houses and shall advance a maximum of \$3,000.00 towards the building of any house required by any member of the Association. The plans of such house shall be in accordance with the desires of the member who expects to occupy the house, subject however to such minimum specifications respecting materials and designs to ensure the permanency of the building, as may be approved by the directors."

The members of this co-operative have already realized many of the benefits of co-operation. For example, when a man finishes work on the tractor, he no longer has to go home and milk the cows, as the work is planned so that one member looks after all the chores. Also, one electric lighting system is providing electricity for the whole co-operative community. Some of the members have already taken their three weeks holidays "with pay", provided for in the Supplemental Bylaws of the co-operative.

The members of the Laurel Co-operative Farm have frequent meetings. Since their buildings have been grouped these meetings have been held every Monday morning immediately after breakfast.

At these meetings the work for the coming week is decided upon and any other matters affecting the co-operative are discussed and a decision reached through a majority vote of the members. These meetings keep all members informed on their co-operative farm and provide the opportunity for expression of any dissatisfaction with the operations of the co-operative. A number of ideas on problems of management of the farm can be presented by the members each of which may be discussed and the most efficient one selected.

With the Laurel as well as the Sturgis Co-operative Farms all members are on the Board of Directors. A manager is elected from the membership whose duty it is to co-ordinate the work of the members and to see that the policies set out at the meetings are followed. A secretary-treasurer is also chosen from the membership who keeps financial records of the farm and looks after all correspondence.

These two co-operative farms in which labour and all capital resources are pooled were organized by groups of people who had known each other and worked together in some farm and community activities for years. They were formed to fill certain needs of these groups by providing a permanent business basis on which to work together, which is facilitated by keeping accurate records. Members enter voluntarily but the supplemental bylaws provide for the withdrawal or expulsion of a member and the repayment of his equity in the association.

The Veterans' Farm.

The Matador Co-operative Farm near Kyle, Saskatchewan, was incorporated in August, 1946. It is situated on the Matador ranch which covers a total area of about 131,000 acres and which has been operated by the provincial government as a community pasture for a number of years. Most of this area is submarginal for growing grain, but recent soil surveys have shown that approximately 10,000 acres consist of Sceptre heavy clay which is good grain-growing land. This area is being leased to the Matador Co-operative Farm on the basis of 480 acres per member.

The members of the co-operative farm are 15 veterans who attended a co-operative farming conference at Regina in April, 1946, to which all interested veterans in the Province were invited.

Following the conference, those men who wished to proceed with the project went to the Matador ranch to work together for several months before organizing the co-operative farm. This period gave

the group an opportunity to become well acquainted and get used to working together, as well as to decide whether or not they wished to use co-operative effort in achieving permanent rehabilitation on the land. During this period, the group were paid a monthly wage by the Department of Reconstruction. This wage was in the form of a loan, to be repaid by the co-operative association after incorporation.

Actual incorporation of the group was delayed for some time while negotiations were being made for an amendment to the Veterans Land Act, which would allow those veterans who wished to become members of a co-operative farm to pool their grants under the Act for that purpose. When all immediate prospects of obtaining these grants faded, the veterans proceeded with the incorporation of their co-operative.

From the beginning these men ran their own affairs entirely, with advisory assistance from the Provincial Departments of Co-operation and Reconstruction. They elected their chairman, secretary-treasurer, and foremen for such committees as were required. Breaking was commenced early in the spring with tractors leased from the Department of Reconstruction and plows bought from farmers in the adjoining area.

By November, 1946, approximately 2,600 acres of breaking had been completed, 340 of which had been seeded to flax in the spring. An accommodation building at St. Aldwyn's Airport, near Swift Current, was purchased, cut into sections, and moved to a temporary building site on the farm. Later these sections were moved to the permanent location of the co-operative community and provided four bungalows, as well as a dormitory for the single men. This site is near a proposed P.F.R.A. dam, which, it is estimated, will hold enough water to irrigate over 100 acres. Construction of this dam was started in the fall and it was almost completed before winter set in.

The building site is being landscaped according to plans which allow for a community garden, orchard, park and sports grounds.

The co-operative community of the Matador Co-operative Farm is located about two miles east of Matador which is a shipping point on the railroad containing two elevators and a livestock yard. It is about five miles from the school where the four children of school age in the community are going. The members of the co-operative are looking forward, however, to having a school in their co-operative community in the near future. The building site is about seven miles from a gravelled highway and ten miles from the village of

Kyle. A graded road comes to within two miles and plans are being made to grade this two miles next year.

On this co-operative farm the houses are built and owned by the co-operative. The family who will occupy each house is consulted, however, regarding its design.

Grain growing will be the main enterprise of this co-operative at the beginning. However, to give added security and a better utilization of labour, such other enterprises as beef cattle and poultry will be developed as soon as feasible.

Weekly meetings are held by the members of the Matador Co-operative Farm. During the past year these were held every Thursday evening. These meetings gave all members the opportunity of discussing and voting on the affairs of their farm and kept them informed as to its operations.

The program for next year on the Matador Co-operative Farm includes a continuation of the breaking and building programs. A building at the Swift Current Airport has been purchased and is being dismantled this winter by members of the co-operative farm to provide building materials for next summer's operations.

At a recent meeting of the group the chairman, secretary-treasurer and six directors were elected for the coming year. One director is to be in charge of each of the following activities on the co-operative farm: land operations and field husbandry; landscape gardening, tree planting and irrigation; livestock and poultry; mechanics; construction; and educational and recreational activities.

This group has made excellent progress despite many difficulties. The members feel they have achieved far more, by pooling their labour and limited capital resources, than would have been possible for each working individually. The married members have comfortable homes and plans are being made to build further houses next year. In the first year of operations, over 160 acres per member of raw land has been broken and prepared for seeding next year. A barn has been purchased and moved to the building site and a machine shop built. Large scale machinery has been purchased which can operate efficiently on a large acreage at a relatively low capital cost per cultivated acre. While obtaining these advantages the members have enjoyed a stimulating and interesting social life while planning and working together in the development of their co-operative farm. Their experience thus far indicates the great possibilities

that co-operative farming has to offer in the re-establishment, on the land, of veterans who have had farming experience.

In addition to these more complete types of co-operative farming groups, by November, 1946, there were 16 grazing co-operatives in the Province, some of which have been operating successfully since 1924. Since the Provincial Government policy with regard to small grazing leases, is to place these under administration of community groups, there will probably be an increased interest in this type of co-operative. Other types of production co-operatives in the province include a fur production co-operative, sheep production co-operatives, livestock breeding co-operatives and a bee farmers' co-operative.

These production co-operatives are incorporated under The Co-operative Associations Act of the province. Each has been organized after a great deal of study and discussion by each group as to its needs and as to the best method of meeting these needs. Supplemental bylaws are drawn up by each group detailing plans for their operations. A copy of these, as well as the incorporation documents, are filed with the Department of Co-operation and Co-operative Development. Advisory assistance, free of charge, is available through the extension specialist with the Department, both before incorporation and after the co-operative starts operations.

The experience of co-operative farming groups in Saskatchewan indicates that co-operative farming can and does work. It does offer greater economic and social advantages than individual farming. However, the success depends primarily upon each member's ability to work harmoniously with the group, to place the interests of the group ahead of his own, and to shoulder his share of the responsibilities of the co-operative farm. If the members can continue to do this and maintain a sound business basis of operations there is no reason why they cannot indefinitely reap the benefits of working together.